

November 17, 2009

**HAND DELIVERY**

Mark E. Fesmire, PE, JD  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

*Case 14405*

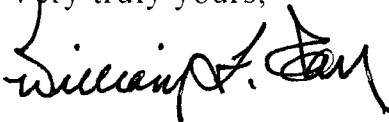
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**Re: Application of Pedernales Production, LP for approval of a unit agreement, Lea County, New Mexico.**

Dear Mr. Fesmire:

Enclosed is the Application of Pedernales Production, LP in the above-referenced case as well as a copy of the legal advertisement. Pedernales Production, LP requests that this matter be placed on the December 17, 2009 Examiner Hearing docket.

Very truly yours,



William F. Carr

Enclosures

cc: Mr. Mark Wheeler  
Pedernales Production, LP

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATION OF PEDERNALES PRODUCTION, LP  
FOR APPROVAL OF A UNIT AGREEMENT,  
LEA COUNTY, NEW MEXICO.**

CASE NO. 14405

**APPLICATION**

PEDERNALES PRODUCTION, LP ("Pedernales"), through its undersigned attorneys, hereby makes application for an order approving its UNO State Exploratory Unit and in support of this application states:

1. The proposed Unit Area for the UNO State Exploratory Unit consists of 1,600.00 acres, more or less, of State of New Mexico lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

**Township 14 South, Range 34 East, N.M.P.M.**

Section 23:	N/2
Sections 24:	All
Sections 25:	All

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. The Applicant, Pedernales Production, LP is designated as Unit Operator in said Unit Agreement and all oil and gas in the all formations are unitized.

4. The proposed Unit Area covers all of the geological structures or anomaly from the surface to the base of the Wolfcamp formation.

5. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Pedernales Production, LP requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 17, 2009, that notice be given as required by law and the rules of the Division, and that the UNO State Exploratory Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR PEDERNALES PRODUCTION, LP

CASE NO. 14405:

**Application of Pedernales Production, LP for approval of a Unit Agreement, Lea County, New Mexico.** Applicant seeks approval of the UNO State Exploratory Unit for all formations from the surface to the base of the Wolfcamp formation in an area comprising 1,600.00 acres, more or less, of State of New Mexico lands in Sections 23, 24, and 25 of Township 14 South, Range 34 East, NMPM which is located approximately 11 miles Northwest of Lovington, New Mexico.